IFRA VanEck FTSE Global Infrastructure (AUD Hedged) ETF

Australia's first global infrastructure ETF

Infrastructure forms the bedrock of society and includes transport such as roads, railways, airports and ports, as well as other networks and facilities necessary for sustaining the modern world such as utilities, communications and water.

Infrastructure assets have a unique set of characteristics that are attractive for investors.

Strong market positions and high barriers to entry
These assets require a substantial initial outlay of capital and time to construct and typically exist in a government-supported monopoly or duopoly – cities don't usually need multiple electricity grids or metro networks.

Long investment horizons (30+ years)
By nature, infrastructure is purpose-built for long-term use.

Relatively stable and predictable revenue streams
Infrastructure assets are also known for providing regular, stable cash flows in the form of tolls, rent, and usage fees.

Inflation protection and inelastic demand for services, providing pricing power
Income from infrastructure assets is often inflation-linked, structured to rise in accordance with the Consumer Price Index (CPI) or increases may be contractually mandated with the government. In addition, as these assets are generally considered essential services, consumption is largely unaffected by price rises or changes in the economy.

High operating margins with relatively low ongoing costs drive profitability

The case for global infrastructure

There are a number of enduring trends that support the growth of infrastructure globally.

- **Sustained government investment:** Governments worldwide consistently allocate portions of their annual budgets to infrastructure projects.
- **Increasing privatisation of assets:** There is a global shift towards governments entrusting private enterprises with ownership and management of critical assets. England's water supply, Sydney Airport and most toll roads in Australia are examples of privatisation.
- **Technological advancements:** The mass adoption of new technologies generates novel opportunities for infrastructure investment, examples include enhanced internet capabilities, the proliferation of electric vehicles and shift to renewable energy sources.
- **Demographic shifts:** Urbanisation and population growth in cities necessitate the expansion of highways, public transportation systems, healthcare facilities, and other vital infrastructure to accommodate increasing demand.

Investing in global infrastructure on ASX

Investors can access infrastructure assets via the VanEck FTSE Global Infrastructure (AUD Hedged) ETF (ASX: IFRA) which provides exposure to more than 100 of the world's largest infrastructure companies. IFRA tracks the FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index which is used as the global infrastructure benchmark by industry participants including consultants and fund managers.

Access to regular, stable income

To limit the impact that currency movements could have on income, IFRA is hedged into Australian dollars and, unlike many other globally listed infrastructure funds, also makes beneficial choices under the tax rules, including adopting the 'Taxation of Financial Arrangements' (ToFA) currency hedging rules. These tax choices enable smooth income payments to be maintained over time.

IFRA offers

AUD currency hedged global infrastructure exposure

Access to a diversified portfolio that provides target exposure to listed global infrastructure companies.

Infrastructure provides investors with stable income

Global infrastructure assets have provided investors with inflation-linked and regulated income.

Diversified across companies and sub-sectors

Company and sector capping provides comprehensive exposure with diversification across companies and sub-sectors.

ASX code:	ASX commencement date:	Management fee:	Dividend frequency:	Index:
IFRA	3 May 2016	0.20% p.a.*	Four times a year	FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index

Key risks: An investment in our global infrastructure ETF carries risks associated with: ASX trading time differences, financial markets generally, individual company management, industry sectors, foreign currency, currency hedging, country or sector concentration, political, regulatory and tax risks, fund operations, liquidity and tracking an index. See the VanEck FTSE Global Infrastructure (AUD Hedged) ETF PDS and TMD for more details.

*Other fees may apply. See PDS for details.

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